

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7172**

**BILL NUMBER:** HB 1167

**DATE PREPARED:** Dec 31, 2000

**BILL AMENDED:**

**SUBJECT:** Uncollected Workforce Development Contributions.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides that the directors and officers of an employer have personal liability for unemployment taxes owed by the employer. It provides that in a corporate dissolution, without clearance from the Department of Workforce Development, the officers and directors of a corporation are personally liable for amounts owed by the corporation to the Department of Workforce Development if the corporation has insufficient assets to pay the amounts owed to the Department. The bill requires a corporation seeking reinstatement after an administrative dissolution to submit certification to the Secretary of State stating that all employer contributions owed by the corporation under the worker's compensation statute are paid.

The bill also provides that the Department of Workforce Development may allow the Department of State Revenue and the Secretary of State access to the name of each corporate officer and director, and Social Security number of each corporate officer and director, for collection purposes toward the unpaid liability. It prohibits the Health Professions Bureau and Indiana Professional Licensing Agency from issuing a license to a person who has unpaid liability with the Department of Workforce Development.

**Effective Date:** Upon passage; July 1, 2001.

**Explanation of State Expenditures:** The bill could have some minor increase in the administrative expenses for the Department of Workforce Development, Department of Revenue, Secretary of State, Health Professions Board, and Professional Licensing Agency.

**Explanation of State Revenues:** The bill would have a positive, but unknown, impact on the Unemployment Insurance Benefit Fund, since the Department of Workforce Development could collect unpaid unemployment taxes from an employer's directors and officers if the corporation dissolves owing unemployment taxes.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development, Department of State Revenue, Secretary of State, Health Professions Board, Professional Licensing Agency.

**Local Agencies Affected:**

**Information Sources:**